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The relationship between psychological empowerment and entrepreneurship among clerks of Fars Payame Noor University

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Abstract

With the aim of investigating the relationship between psychological empowerment (meaningfulness, competence, influence, self-determination, and trust) and entrepreneurship, 189 personnel from Fars Payame Noor University were chosen through class sampling and answered to the questionnaires of entrepreneurship and psychological empowerment. Generally, results of regression analysis showed that psychological empowerment is able to predict entrepreneurship. Among the psychological empowerment, meaningfulness and competence respectively explained the most ($R^2=0.37$) and the least ($R^2=0.11$) amount of entrepreneurship variance.

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Keywords: Psychological empowerment, entrepreneurship, meaningfulness, competence, influence, self-determination, trust.

1. Introduction

Finding creative and innovative methods and approaches for increasing efficiency is one of the main concerns of current organizations. One method to fulfil this objective is strengthening entrepreneurship and paving the way for its development. Cumming (2007) indicates that remarkable investments have been made within the last decades on entrepreneurship and have had significant effects on managerial and financial issues as well as on public sector policies. Peter Drucker (1985) defines entrepreneurship as continuous search for change, reacting to and utilizing it as an opportunity (Hezarjarib, 2005). Crockett (2005) defines entrepreneurship as a dynamic process of change of insight or creativity and innovation. Entrepreneurship functions not only as a joining bond between invention, innovation and production of novel products and services but also as a driving force for development and economic prosperity (Dobrev & Barnett, 2005).

After World War II, a relatively wider perspective of entrepreneurship emerged among management theories. According to this perspective point of view entrepreneurship was not used, despite its common sense, as emphasis on individual (Hezarjarib, 2005). Accordingly, management experts concluded that organizations, as well as individuals should engage in entrepreneurial activities. This gradually formed an idea in the literature of

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entrepreneurship which focuses on organizations, cultures and organizational processes and is entitled “entrepreneurship”. According to experts, “entrepreneurship” is considered as an instrument for the development and improvement of business, increase in income and in interest, pioneering in the development of products, services and novel activities (Kuratko et al. 1990; Lumpkin & Dess, 1996; Miles & Covin, 2002; Zahra et al. 1999; Zahra, 1991).

“Entrepreneurship” is the process of stimulating and making the best use of the clerks in an organization. A process using which the clerks think that they are able to do things differently and better. Obstacles in flexibility, development and innovation can be overcome by increasing the spirit of entrepreneurship within organizations. Training entrepreneurs within organizations requires providing propitious circumstances and spreading the spirit of entrepreneurship (Hadizadeh Moghadam, 2005). Regarding what was mentioned about the importance of entrepreneurship, providing suitable circumstances making organizations and specifically universities into productive and entrepreneurial organizations seems inevitable. Obviously, a university whose purpose is training entrepreneurial individuals should enjoy an entrepreneurial environment and personnel in order to create an environment for training entrepreneurial individuals. Cuero (2005) believes that in order to fully understand entrepreneurial activities in a country, one needs to analyze Psychological characteristics, non-psychological characteristics and environmental conditions. Psychological empowerment of clerks is one of the psychological characteristics which can help provide such conditions. Empowerment mechanism is a management tool which operates on a number of management processes. Recently, a multidimensional concept of empowerment has been considered by experts in which empowerment is defined as experienced psychological manners and cognition. This multidimensional definition of empowerment focuses on personal experience (Thomas & Velthous, 1990). According to this view, “psychological empowerment” includes a person’s important psychological feelings to his work place which can be summarized in five factors; meaning, competency, impact, self-determination and trust (Spreitzer, 1995).

Meaning refers to persons’ values and status in terms of given tasks based on personal standards. Competency refers to self-efficacy or mastery which enables a person to successfully accomplish a task. Impact refers to the extent to which a person feels effective in obtaining a goal or thinks is effective in organizational outcomes. Self-determination refers to possessing the feeling of independence in making decisions about given tasks about work. Trust refers to possessing the feeling of personal security. Trust also implies that people place themselves in a vulnerable position. Nevertheless, competent people believe that the trust would pose no threat to them (Mishra, 1998). As to empowerment, Thomas and Velthouse (1990) found that feeling important and competency increase job satisfaction through cultivating interest in people toward given tasks. Empowerment can result in behavioural consequences. For instance, Gecas (1989) found that self-esteem results in innovation, hard work and perseverance in challenging situations.

Cognitive empowerment is considered as a factor which is influenced by environmental, organizational and personal factors, and can function as an influential factor in organizational effectiveness and innovation (Spreitzer, 1995). Some researches indicate that a relationship exists between psychological empowerment and organizational entrepreneurship (Zare, et al. 2007). Regarding available theoretical & practical background, it seems logical that the five psychological empowerment factors have the capability of predicting organizational entrepreneurship.

To the realization of this objective, the researchers intend to predict entrepreneurship among the clerks of Payame Noor University of Fars province on the basis of psychological empowerment factors through regression analysis.

It should be noted that few researches have been conducted to investigate the relationships among the variables of this research especially in academic environments. While Clark (2004) holds that dynamic universities in the new millennium are expected to be entrepreneurial and capable of integrating specific and management values. Therefore, conducting a research of this nature in Payame Noor University can be regarded as an important step toward unveiling the relationship among psychological empowerment factors and entrepreneurship.

2. Methodology

According to the purpose, this study is in the category of applied research and according to the data collection procedure is in the category of descriptive research and correlation.

2.1. Population and sample

The population of this study includes all the clerks of Fars Payame Noor University (N=365). The sample of this study consists of 189 clerks who have been chosen through random cluster sampling.

2.2. Data collection instruments

For collecting data, a self-report questionnaire of entrepreneurship composed of 29 items by Samad-Aghaee (2001) and also Spreitzer's (1995) 18-item questionnaire of psychological empowerment with factors including "meaningfulness", "competency", "impact", "self-determining" and "trust" were used. In order to determine the validity of the questionnaire, Cronbach's alpha was used. The Cronbach's alpha for entrepreneurship and psychological empowerment factors were 0.92 and 0.78 respectively.

3. Findings

Correlation coefficients, mean and standard deviation of the variables of the study are illustrated in the following table.

Table 1: correlation, mean, STD deviation

variable	(1)	(2)	(3)	(4)	(5)	(6)
(1)Meaningfulness	1					
(2)Competency	0/008	1				
(3)Impact	0/36**	0/15**	1			
(4)Self-determination	0/21**	0/31**	0/26**	1		
(5)Trust	0/22**	0/12	0/37**	0/34**	1	
(6)Entrpreneurship	0/61**	0/33**	0/43**	0/50**	0/37**	1
mean	11.39	10.90	12.09	14.12	9.62	111.52
Std deviation	2.09	1.82	1.48	1.84	2.75	13.07
* P <0.05		** P <0.01				

As can be seen in the table above, among psychological empowerment factors, meaningfulness (0.61), self-determination (0.50), impact (0.43), trust (0.37) and competency (0.33) have the highest and lowest correlation with entrepreneurship respectively. Table of regression analysis for predicting entrepreneurship on the basis of psychological empowerment factors along with necessary explanations follow.

Table 2: bivariate regression analysis

Predictor variable	R square	Adjusted R square	Std error of the estimate	F	Sig	β	T	Sig
Meaningfulness	0/37	0/366	10/40	10/784	0/000	0/608	10/236	0/000
Competency	0/11	0/10	12/37	21/8	0/000	0/33	4/67	0/000
Impact	0/183	0/178	11/87661	39/809	0/000	0/428	6/309	0/000
Self-determination	0/247	0/243	11/36855	58/808	0/000	0/50	7/669	0/000
Trust	0/137	0/132	12/17527	28/338	0/000	0/37	5/32	0/000

As indicated in the table above, "meaningfulness" in comparison with other dimensions of empowerment can explain much more amount of entrepreneurship, which regarding the observed F (10.784) is meaningful at level 0.001. In addition, the amount of calculated β for "meaningfulness" is (0.61) which with respect to $t=10.236$ is meaningful at level 0.001.

Based on the results of bivariate regression analysis, the lowest amount of entrepreneurial variance, belongs to competency ($R^2=0.11$) which is meaningful at level 0.001 with respect to F ($F=21.8$). The calculated β for "competency" is 0.33 which is meaningful at level 0.01 with respect to $T=4.67$. In order to predict entrepreneurship on the basis of psychological empowerment factors simultaneously, the results of multiple regressions analysis is presented as follow.

Table 3: multiple regression

Variable	R2	F	Sig	B	Std Error	β	T	Sig
Constant				58/836	10/381		5/67	0/00
Meaningfulness	0/592	49/92	0/00	3/01	0/328	0/49	9/2	0/00
Competency				1/7	0/374	0/23	4/56	0/00
Impact				1/2	0/504	0/13	2/4	0/018
Self-determination				1/8	0/387	0/26	4/79	0/00
Trust				0/397	0/26	0/08	1/52	0/129

As it is shown in the table above, the amount of entrepreneurial explained variance for psychological empowerment is 0.592 which is meaningful at the level 0.001 with respect to $F=49.92$. Among five psychological empowerment factors, the highest amount of calculated β for predicting entrepreneurship belongs to meaningfulness (0.49) which is meaningful at level of 0.01 with respect to $t=9.2$. Also, the lowest amount of calculated β belongs to “trust” (0.08) which is not statistically meaningful with respect to $t=1.52$. As was observed, the factor “trust” is capable of predicting entrepreneurship on the basis of the results of bivariate regression analysis.

4. Discussion

Bivariate regression analysis indicated that there exists a meaningful relationship between psychological empowerment factors and entrepreneurship in Fars Payame Noor University clerks. It is observed that among psychological empowerment factors, meaningfulness and competency represent the highest and the lowest amount of entrepreneurship variance respectively. The results also showed that psychological empowerment factors simultaneously predict entrepreneurship. Multiple regression analysis indicated that β obtained for “trust” is not meaningful due to being overlapped with other psychological empowerment factors. The results of this research are in line with researches conducted both inside and outside Iran. In this regard, Sundbo (1999) found that empowerment system is especially important for service companies with low technology for motivating entrepreneurship. The final result of this research is that empowerment system organizes entrepreneurship. Adonisi (2003) showed that there is a meaningful relationship between empowerment and entrepreneurship. Amabile, et al. (2005) in a research entitled “impact and creativity at work” investigated the relationship between impact and creativity at work. The results indicated that there is a meaningful and positive relationship between impact and creativity. (Mishra, 1998) also found that there is a meaningful relationship between competency and innovation and impact and positive influence. They illustrated that the competent clerk gives a better response to challenging situations in comparison with the less competent clerks. Studies in Iran, too, showed that there is a meaningful relationship between psychological empowerment factors and entrepreneurship (Zare, et al. 2007). Considering the meaningfulness of the role of self-competency in entrepreneurship, self-competency should be enhanced through assigning tasks on the basis of expertise and ability, emphasizing on skills, doing emotional and social supports and motivating and appreciating the clerks. On the basis of the findings of the research, and the meaningfulness of the relationship of self-determination and impact with entrepreneurship in Payame Noor University, some tact must be pondered in order for the clerks to feel independent in what they do and the individual should be capable of penetrating into strategic, institutional or operational consequences in his field of work. As to the role of “trust” in predicting entrepreneurship, although this contribution did not turn out to be meaningful by simultaneous entry of variables into the equation of regression, the results of bivariate analysis of regression indicated that this factor plays a role in increasing entrepreneurship. Therefore, managers are recommended to strengthen this feeling among their staff so that they are certain that they will be treated fairly and in the same manner, and even holding a subordinate status, the final result of their work will be justice, not damage and loss. Finally the results of bivariate and multiple regression analysis indicated that “meaningfulness” not only has the capacity of predicting entrepreneurship but also holds a greater share than other psychological empowerment factors. Consequently, high officials and policymakers in Payame Noor University are advised to match the job requirements and roles of the clerks in university with their personal values and beliefs. This makes it clear that under any circumstances, personal values and beliefs have priority over other factors for the university clerks.

It is recommended that interested researchers investigate the relationship between psychological empowerment factors and job satisfaction, organizational commitment, group effectiveness, leadership styles and other related variables.

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